

EXHIBIT S

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
NORTHERN DIVISION

* * *

EQUAL EMPLOYMENT : CIVIL ACTION
OPPORTUNITY COMMISSION :
Plaintiff :
and :
KATHY C. KOCH :
Intervenor/Plaintiff :
:
-vs- :
:
LA WEIGHT LOSS :
Defendant : NO. S-02-CV-648

* * *

30(b) (6) deposition of LA
WEIGHT LOSS CENTERS, through its
designee, KAREN P. SIEGEL, held in the
offices of EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION, The Bourse Building, 111
South Independence Mall East, Suite 400,
Philadelphia, Pennsylvania 19106, on
Wednesday, August 28, 2002, beginning at
10:00 a.m., before Nancy D. Ronayne, a
Court Reporter and Notary Public in and
for the Commonwealth of Pennsylvania.

ESQUIRE DEPOSITION SERVICES
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215-988-9191

<p style="text-align: right;">Page 42</p> <p>1 A. No.</p> <p>2 Q. Moving on from when you were 3 director of franchising, what did you do 4 next?</p> <p>5 A. April of '98 I moved into 6 becoming HR manager or HR -- director of 7 HR I guess is the title.</p> <p>8 Q. And how long have you been 9 in that position when you were in that 10 position?</p> <p>11 A. I was -- the title changed. 12 Director of HR until April of '99, which 13 went to VP of HR in April of 2000, and 14 senior VP of HR in April 2001.</p> <p>15 Q. And that's what your title 16 is today?</p> <p>17 A. Yes.</p> <p>18 Q. Senior Vice President of 19 Human Resources.</p> <p>20 A. Yes.</p> <p>21 Q. Was there a Senior Vice 22 President of Human Resources when you 23 were the Vice President of Human 24 Resources?</p>	<p style="text-align: right;">Page 44</p> <p>1 Q. Yes, 13 people. 2 Have the people you just 3 mentioned here that you supervise today, 4 has that list changed significantly or 5 actually has it changed at all during the 6 course of your time as Human Resources 7 Director?</p> <p>8 A. Okay. I'm trying to think. 9 I had the benefits specialist was hired 10 in like November '98, and then another HR 11 manager was hired in '99. Then just in 12 the last like year in 2001 is when the 13 majority of the other people were added. 14 The payroll people were all there, I had 15 them right from the start. And then 16 additional HR people from there.</p> <p>17 Q. So I'm sorry, since you said 18 April of 2000 or 2001?</p> <p>19 A. 2001.</p> <p>20 Q. So since April 2001 you've 21 had a recruiting specialist?</p> <p>22 A. No. She's -- she's just 23 there a year, so like June of 2001.</p> <p>24 Q. And you didn't have a</p>
<p style="text-align: right;">Page 43</p> <p>1 A. No.</p> <p>2 Q. Was there Vice President of 3 Human Resources when you were director of 4 Human Resources?</p> <p>5 A. No.</p> <p>6 Q. How many people do you 7 supervise at present as Senior Vice 8 President of Human Resources?</p> <p>9 A. Twelve.</p> <p>10 Q. And can you go through the 11 staff positions that you supervise?</p> <p>12 A. I have an HR manager. I 13 have a benefits specialist. I have a 14 recruiting specialist. I have two 15 inhouse recruiters, two field recruiters, 16 I have a generalist. Did I give you a 17 generalist yet?</p> <p>18 Q. No, you did not.</p> <p>19 A. Okay, a generalist. I have 20 got an admin, I've got a payroll -- well, 21 I have three payroll clerks, payroll 22 processors. One payroll manager, two 23 payroll processors. And a like 24 payroll/HR assistant. I believe 13.</p>	<p style="text-align: right;">Page 45</p> <p>1 recruiting specialist prior to that?</p> <p>2 A. No.</p> <p>3 Q. Did you do those functions 4 before that yourself?</p> <p>5 A. Yes.</p> <p>6 Q. And you've had inhouse 7 recruiters since April of 2001?</p> <p>8 A. No. The two inhouse 9 recruiters started two months ago.</p> <p>10 Q. Two months ago?</p> <p>11 A. Yes.</p> <p>12 Q. And you did not have inhouse 13 recruiters prior to that time?</p> <p>14 A. That's correct.</p> <p>15 Q. Did you do those functions 16 or that responsibility yourself?</p> <p>17 A. Yes. We had field 18 recruiters, we had more field 19 recruiters. We had 10 field recruiters 20 at one point and now we're down to two. 21 And actually, they will also get phased 22 out, I'm going to be hiring additional 23 inhouse recruiters.</p> <p>24 Q. So when you first started</p>

<p>1 Q. For management, for field 2 management?</p> <p>3 A. For people that were doing 4 the interviewing in the field; that's 5 correct. And that evolved as well. I 6 mean, it's hard to explain but again, 7 very, very -- we're talking very small 8 company, a mom and pop if you will. And 9 everyone out there was sort of a mom and 10 pop and trying to make that more 11 uniform.</p> <p>12 Okay, so then what happened 13 from there was we were given the ability 14 to hire field recruiters because it was 15 too much responsibility in running 16 centers as well as trying to recruit 17 employees. So we started hiring field 18 recruiters that would take the leads, 19 pre-screen the leads, set up interviews 20 for their, you know, the managers that 21 they worked for in the areas that they 22 worked for.</p> <p>23 Some managers allowed the 24 field recruiters to actually do the</p>	<p>Page 70</p> <p>1 hire. And then we take it from there 2 reference checking, you know, offers of 3 employment, declamation letters. So we 4 finish the cycle if you will from that 5 standpoint.</p> <p>6 Q. Go ahead.</p> <p>7 A. And so as that process has 8 evolved my involvement at the field level 9 has become much greater where I now train 10 any supervisor, anyone who is involved in 11 the hiring process gets trained by me. 12 Literally, that's -- that's started, 13 again, pretty much towards the beginning 14 but is now, you know, just ingrained with 15 whatever we do.</p> <p>16 Q. What is a lead? You 17 referred to lead several times, what is a 18 lead?</p> <p>19 A. Someone who applied for a 20 position.</p> <p>21 Q. Any position?</p> <p>22 A. In response to an ad.</p> <p>23 Q. Is it any job or is it any 24 job in particular?</p>
<p>1 interviews for them and then maybe they 2 would be second interviews. Or they 3 themselves wanted to interview the 4 people, that would be potentially working 5 in their centers, okay.</p> <p>6 That now has evolved into 7 where we decided that we're going to be 8 accountable and responsible for the 9 entire function from the recruiting 10 standpoint. We are doing all the 11 pre-screening, we are taking in all the 12 leads. I mean we're phasing it out only 13 because I don't have the people to be 14 able to handle it a hundred percent at 15 this point. But that's why I still have 16 some field recruiters out there in areas 17 that I haven't hired somebody internally 18 to be able to handle. But then we're 19 going to be responsible for getting all 20 the leads, pre-screening all the leads, 21 setting up the interviews for the people 22 out in the field. They're still going to 23 be doing their own interviews, than 24 letting us know who it is that they want</p>	<p>Page 71</p> <p>1 A. Any job. 2 Q. So would that be jobs that 3 go from the lowest person in the field 4 office to the manager to the highest 5 person in the field office?</p> <p>6 A. Yes. 7 Q. And can you give me 8 approximately a time frame how the 9 evolution took place? You started with 10 sounds like, and correct me if I'm wrong, 11 but that the office, the corporate 12 stores, field stores if you will were 13 responsible for handling all of these 14 things on their own at first. All these 15 things being advertising, hiring, and 16 being responsible for recruiting any 17 leads which would be anybody who works in 18 your office when you first started as 19 human resources director; is that 20 correct?</p> <p>21 A. Yes. 22 Q. And then at some point some 23 of these responsibilities were 24 disseminated back to the field -- excuse</p>

<p>1 A. No.</p> <p>2 Q. What's the human resources 3 manager's name?</p> <p>4 A. Nicola, N-I-C-O-L-A, Fryer, 5 F-Y -- F-R-Y-E-R.</p> <p>6 Q. And has she been the human 7 resources manager since you've had a 8 human resources manager in 1999?</p> <p>9 A. Yes.</p> <p>10 Q. What was her -- she worked 11 for the corporation prior to that, prior 12 to her being --</p> <p>13 A. When she first started her 14 titled was HR generalist, she's since 15 been promoted to HR manager.</p> <p>16 Q. When did she start as the HR 17 generalist?</p> <p>18 A. She was hired, what is her 19 date, she was probably hired like late 20 '99, somewhere in there. Like September 21 of '99. Somewhere in that time frame.</p> <p>22 Q. So how long was -- sounds 23 like it wasn't that long between when she 24 became a generalist and when she was a</p>	<p>Page 66</p> <p>1 setting up second interviews for their 2 managers.</p> <p>3 So we kind of coordinate 4 that function inhouse for the field. But 5 we're doing away with that and we're 6 bringing them all inhouse so she actually 7 manages inhouse people as well.</p> <p>8 Again, placing 9 advertisement, getting from them, you 10 know, interview schedules, that sort of 11 thing, overseeing that function.</p> <p>12 Q. So maybe what we can do is 13 try to go through if you would how this 14 recruiting program has evolved. It 15 sounds like, just to clarify things, is 16 that it has been an ongoing process since 17 you started as a human resources 18 director. So could you explain for me 19 how you all have involved your recruiting 20 process with your corporate office?</p> <p>21 A. Well, initially when I first 22 started doing HR literally it was -- it 23 came about that the people in the field, 24 the field managers, were literally</p>
<p>1 manager?</p> <p>2 A. No, it was probably a year 3 between when she was hired.</p> <p>4 Q. And is that still her title 5 today?</p> <p>6 A. Yes.</p> <p>7 Q. And as a human resources 8 generalist was she responsible when she 9 was initially hired for the recruiting 10 aspect of the human resources department?</p> <p>11 A. No.</p> <p>12 Q. Can you elaborate for me 13 when you say that she coordinates 14 recruiting, can you please provide more 15 information for what you mean by that?</p> <p>16 A. With -- when -- and we still 17 have a few but with the field recruiters, 18 they have dual reporting responsibility 19 insofar as they report to HR for leads, 20 you know, where they want to place ads, 21 what positions they're trying to hire 22 for, what ads they want to run. And then 23 coordinating with their managers setting 24 up interviews, interviewing themselves,</p>	<p>Page 67</p> <p>1 placing their own advertisement. There 2 was no accountability from a cost 3 standpoint of what was being spent on 4 advertising and that sort of thing in 5 dealing with the recruiting. And that 6 then, that function became my 7 responsibility to be the sole person who 8 was placing ads for them in the field. 9 From that evolved the training manual 10 that laid out the procedure of, you know, 11 how to place an ad, when we would need 12 the information for an ad placement, who 13 it was going to go to and more formalized 14 how to conduct an interview.</p> <p>15 You know, what are the 16 criteria for interviewing, what type of 17 things you need to comply with from an 18 interviewing standpoint. Everything 19 that's addressed in the recruitment 20 manual. But it was still done at the 21 field level as far as that goes. But I 22 was training, I got involved in the 23 training for management and their 24 interviewing practices.</p>

	Page 102		Page 104
1	Q. Say that again, please?	1	Q. And who is responsible for
2	A. If you -- generally speaking	2	filling the other positions at the center
3	the area manager would be responsible for	3	locations back in 1997?
4	hiring the center manager for a	4	A. I believe still the area
5	particular area. If you're without an	5	managers.
6	area manager then it would be the	6	Q. So the area managers in 1997
7	regional's responsibility to fill the	7	were responsible for filling all
8	position.	8	positions in their center locations?
9	And there's some situations	9	A. I believe so.
10	where the regional might want to be the	10	Q. Is there any document in the
11	one to fill the position versus the area	11	corporation's possession that would have
12	manager because they feel more strongly	12	the lists of those area managers?
13	about who they have staffing that	13	A. No.
14	center. So there's no -- there's no set	14	Q. Is there anywhere in
15	person to actually fill that position,	15	electronic form or in any other form that
16	depends on the particular region.	16	would have a list of those areas
17	Q. Let's start with back in	17	managers?
18	1997 because I'll assume that it's	18	A. No.
19	changing over the years since the stores	19	Q. Was there at any time?
20	grown?	20	A. No. What I can tell you is
21	A. Yes.	21	that if you potentially could go back and
22	Q. So let's try to do by year	22	look at payroll records to be able to
23	if we could. Starting in 1997, did you	23	determine from a pay rate what a
24	have a general, at least one general	24	particular position if someone was
	Page 103		Page 105
1	manager?	1	potentially an area manager.
2	A. No, no.	2	Q. Are those payroll records
3	Q. Did you have any divisional	3	archived?
4	managers?	4	A. They are -- I don't even --
5	A. No.	5	I wasn't involved at that point. I
6	Q. Did you have any regional	6	believe we used a company -- I believe at
7	managers?	7	that time we were using ADP but shortly
8	A. No.	8	thereafter we switched over to Zurich,
9	Q. Did you have any area	9	well, it wasn't Zurich, it was a company
10	managers?	10	called American Payroll. And then they
11	A. Yes.	11	were bought by Zurich so now it's Zurich
12	Q. Because you only had 22	12	American Payroll Solutions. We don't use
13	stores at that point, right?	13	them anymore, we use ADP again.
14	A. Yes.	14	So there are payroll books
15	Q. And how many areas did you	15	I'm assuming in storage somewhere but I
16	have at that time?	16	can't attest to whether or not they are
17	A. When I first started with	17	-- if they exist or not exist.
18	the company there was about maybe six.	18	Q. Who was responsible for
19	Q. Six areas?	19	overseeing the payroll for LA Weight Loss
20	A. I'm not sure exactly.	20	back in 1997?
21	Q. Were the area managers at	21	A. Sandy Miller.
22	that time responsible for filling the	22	Q. Sandy Miller?
23	center manager positions?	23	A. Yes.
24	A. Yes.	24	Q. What is her title?